



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 14, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2079

Alex Boulton
Brush Resources, Inc.
P.O. Box 815
Delta, Utah 84624

Re: Five-Year Review of Reclamation Surety Estimate, Brush Wellman Resources, Inc., Topaz Mine, M/023/003, Millard County, Utah

Dear Mr. Boulton:

The Division has reviewed the present plan with regard to the five-year review status of your Topaz Mine, located in Millard County, Utah. The last surety estimate for this mine was \$311,300 in 2003 dollars. Upon review we find we only need to escalate the present bond for a five-year period. This is based upon the fact that the planned changes to Brush's mine plans have been suspended for the immediate future. Brush will continue to operate within the approved plan in the interim.

The surety for the Topaz Mine escalated to the year 2008 is \$367,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than September 15, 2003.

You may provide a rider to the existing surety and no other paperwork will be necessary. However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at www.nr.utah.gov. If you post another form of surety, we will require that you also replace the Reclamation Contract, which is also located on the web. Please fax a "draft" copy of the documents so we can review them for completeness and accuracy before they are finalized.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Surety estimate update
cc: Will Stokes. SITLA (ML 18237)
Doug Jensen. DOGM
O:\M023-Jumbun\0230003-topaz-brush\final\escl-bond-07142003.doc

SURETY ESTIMATE UPDATE

Brush Resources, Inc.

Topaz Mine

FILE # M/023/003

Millard County

Prepared by Utah Division of Oil, Gas & Mining

Last Update DATE

7/14/2003

DESCRIPTION:

-Previous reclamation surety estimate was \$311,300 in year 2003 dollars

-Reclamation Estimate base amount calculated in 1988-\$

-This update adjusts the surety amount for escalation only.

-*This surety reflects the amended mine plan which suspended the expansion of the mine into the Rainbow # 2 and Section 16 S#1 areas. This amended plan was approved October 22, 2002*

-Escalation factors through 2003 are actual Means Historical Cost Indices

-Total disturbed area = 203 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
	1986	0.0210	\$0.00
	1987	0.0195	\$0.00
	1988	0.0181	\$221,300.00
	1989	0.0177	\$225,217.01
	1990	0.0077	\$226,951.18
	1991	0.0127	\$229,833.46
	1992	0.0221	\$234,912.78
	1993	0.0261	\$241,044.00
	1994	0.0321	\$248,781.52
	1995	0.0193	\$253,583.00
F = Future Sum	1996	0.0242	\$259,719.71
P = Present Sum	1997	0.0236	\$265,849.09
i = Escalation Factor	1998	0.0502	\$279,194.72
n = number of periods	1999	0.0191	\$284,527.34
	2000	0.0244	\$291,469.80
Three Yr Average = 2.89%	2001	0.0421	\$303,740.68
Used to Project 5 Yrs	2002	0.0202	\$309,876.24
From the Year 2003	2003	0.0289	\$318,831.67
	2004	0.0289	\$328,045.90
	2005	0.0289	\$337,526.43
	2006	0.0289	\$347,280.94
	2007	0.0289	\$357,317.36
	2008	0.0289	\$367,643.83
Updated Surety Amount Rounded (2008-\$)			\$367,600.00

** Average cost per acre = 1760 (\$/ACRE)